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CABINET AFFAIRS STAFFING MEMORANDUM

DATE: 9-13-82 NUMBER: 077465CA DUE BY: NOON Wednesday, Sept. 15, 1982

SUBJECT: PRESIDENTIAL STATEMENT OF MINORITY BUSINESS DEVELOPMENT

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	☒	☐	Baker	☒	☐
Vice President	☐	☐	Deaver	☐	☐
State	☐	☐	Clark	☒	☐
Treasury	☐	☐	Darman (For WH Staffing)	☒	☐
Defense	☐	☐	Harper	☒	☐
Attorney General	☐	☐	Jenkins	☐	☐
Interior	☐	☐		☐	☐
Agriculture	☐	☐		☐	☐
Commerce	☐	☐		☐	☐
Labor	☐	☐		☐	☐
HHS	☐	☐		☐	☐
HUD	☐	☐		☐	☐
Transportation	☐	☐		☐	☐
Energy	☐	☐		☐	☐
Education	☐	☐		☐	☐
Counsellor	☐	☐		☐	☐
OMB	☐	☐		☐	☐
CIA	☐	☐		☐	☐
UN	☐	☐		☐	☐
USTR	☐	☐		☐	☐
CEA	☒	☐	CCCT/Gunn	☐	☒
CEQ	☐	☐	CCEA/Porter	☐	☐
OSTP	☐	☐	CCFA/Boggs	☐	☐
	☐	☐	CCHR/Carleson	☐	☐
	☐	☐	CCLP/Uhlmann	☐	☐
	☐	☐	CCNRE/Boggs	☐	☐

REMARKS:

Attached is a complete final draft of the Presidential Statement on Minority Business Development. The report sent to you Friday, September 10, was not complete.

In light of the error, the deadline has been extended by one day to noon Wednesday, September 15.

NSC review completed.

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs

☒ Becky Norton Dunlop
Director, Office of
Cabinet Affairs

DCI
EXEC
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DRAFT

PRESIDENTIAL STATEMENT ON MINORITY BUSINESS DEVELOPMENT

To the Congress of The United States:

This Administration is committed to the goal of greater opportunity for economic progress and independence for minority Americans. A major step toward this goal was taken last year with the enactment of our Economic Recovery Program. This program will help promote an environment of expanding opportunities for the formation and development of minority enterprise by reducing inflation and stimulating economic growth.

However, I do not intend to have our efforts end here. Today, I am announcing steps to further promote an economic environment in which minority entrepreneurs can fully marshal their talents and skills to achieve better lives for themselves and thereby contribute to a stronger economic base for America. Progress will not be easy to achieve but the foundation has already been established through the development, over the last 20 years, of significant minority enterprise activity.

Basic Principles

These steps are based on several important principles:

1. A healthy, growing economy is fundamental to creating the opportunity for the formation and growth of minority owned businesses.
2. Greater economic independence for minority Americans will best be achieved through increased opportunities for

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business ownership and employment in our economic system.

3. Government has an obligation to ensure fairness and equal opportunity for all its citizens.
4. Creativity, private entrepreneurship, and self-help will ultimately determine the success or failure of individual minority businesses.
5. Expanded private sector involvement is crucial to minority enterprise developmental efforts.

Elements of the Program

Today, I am announcing a series of steps reflecting these principles in six broad areas to provide the basis for a renewed and vigorous minority business effort for the 1980s.

1. NATIONAL PRIORITY. To establish expanded minority business development as a national priority for the eighties:

- (a) The Department of Commerce will strive to assist in the formation of at least 60,000 new minority businesses and to assist at least 60,000 existing businesses to expand during the next ten years, with particular emphasis placed on those minority businesses with paid employees.

- (b) I shall designate annually a Minority Business Development Week.

2. FEDERAL RESOURCE COMMITMENT. The Federal government will:

- (a) Procure an estimated \$22 billion in goods and services from minority businesses during Fiscal Years 1983, 1984, and 1985.

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(b) Provide approximately \$1.5 billion in credit assistance and \$300 million in management and technical assistance to promote minority business development during this same period.

3. PRIVATE SECTOR INITIATIVES. To spur private sector involvement in minority business development:

(a) Through the Department of Commerce, I will solicit the involvement of business leaders to encourage at least 2,500 firms to expand their business transactions with minority enterprises.

(b) I am creating a National Leadership Council for Minority Business Development to encourage and coordinate joint Federal and private sector actions.

(c) I am naming a special private sector panel to explore opportunities for reducing regulatory and other barriers to small and minority business expansion, including meaningful entry into the international trade arena.

4. BUSINESS DEVELOPMENT CENTER NETWORK. To improve the delivery of Federal services locally:

(a) I am establishing a national network of Business Development Centers. Over one hundred Centers will be located throughout the country in 95 standard metropolitan statistical areas. They will provide management and technical assistance and promote the leveraging of public resources through the participation

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of private firms.

(b) Selected centers will test a voucher approach to delivering management and technical assistance. A firm needing consulting services will select a vendor, with costs shared by the Federal government. The government's share of the payment will be in the form of a voucher.

5. MARKET DEVELOPMENT. To increase the market opportunities of minority businesses we will make a number of improvements in Federal procurement programs.

(a) The SBA will seek to expand the number of firms participating in each procurement program.

(b) To prepare "graduating" firms for market competition after completing the 8(a) program, I am directing the SBA to create a pilot program wherein contracts will be awarded on the basis of competition among 8(a) firms.

(c) I am directing the SBA to explore the feasibility of delegating Section 8(a) authority to agencies so they may place contracts directly with certified 8(a) firms.

(d) To expand minority enterprise participation in Federal government subcontracts, I am calling upon department and agency heads to develop incentive techniques that stimulate greater minority business subcontracting by Federal prime contractors.

(e) I am calling upon state and local governments, as

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well as Federal agencies, to rely upon the private sector, particularly small and minority businesses, for goods and services, where competitive sources are available.

6. FEDERAL ADMINISTRATIVE CHANGES. We are taking a number of steps to improve the management of Federal programs.

(a) To improve the coordination of Federal efforts, I am issuing a new Executive Order on Minority Business Development. In addition to reaffirming our commitment and clarifying the Federal mission, it gives overall responsibility for this effort to the Interagency Council for Minority Business Enterprise. It also directs the Cabinet Council on Commerce and Trade to submit an annual plan specifying measurable minority-enterprise-development objectives for each agency.

(b) To improve the measurement of performance, the Interagency Council for Minority Business Enterprise will establish program management guidelines for all Federal efforts.

Conclusion

Together, our policies and programs for minority business development should set the stage for the expanded development of minority business. While such a Federal agenda for action is important, of greater importance will be the steps taken by minority entrepreneurs themselves and by other private

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concerns. Economic growth for America -- which is the aim of our Economic Recovery Program -- will ultimately provide the most lasting positive effect on minority business development.

Recognizing that the realization of the American Dream is ultimately achieved in the private marketplace, we can, through a greater commitment to public and private cooperation, achieve fuller participation in our market economy by minority Americans.

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